

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:	§	Chapter 11
	§	
FEDERAL-MOGUL GLOBAL, INC.,	§	Case No. 01-10578 (RTL)
T&N LIMITED, et al.,	§	Jointly Administered
	§	
Debtors.	§	
	§	

**FEE AUDITOR'S FINAL REPORT REGARDING
FEE APPLICATION OF BELL, BOYD & LLOYD, LLC
FOR THE FOURTEENTH INTERIM PERIOD**

This is the final report of Warren H. Smith & Associates, P.C., acting in its capacity as fee auditor in the above-captioned bankruptcy proceedings, regarding the Fourteenth Quarterly Interim Fee Application of Bell, Boyd & Lloyd, LLC (the "Application").

BACKGROUND

1. Bell, Boyd & Lloyd, LLC ("BBL"), was retained as Counsel to the Official Committee of Equity Security Holders of Federal-Mogul Corporation. In the Application, BBL seeks approval of fees totaling \$231,894.00 and expenses totaling \$5,263.02 for its services from February 1, 2005 through April 30, 2005 (the "Application Period").

2. In conducting this audit and reaching the conclusions and recommendations contained herein, we reviewed in detail the Application in its entirety, including each of the time and expense entries included in the exhibits to the Application, for compliance with 11 U.S.C. § 330, Local Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware, Amended Effective February 1, 2001 (the "Local Rules"), and the United States Trustee Guidelines

for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, Issued January 30, 1996 (the “U. S. Trustee Guidelines”), as well as for consistency with precedent established in the United States Bankruptcy Court for the District of Delaware, the United States District Court for the District of Delaware, and the Third Circuit Court of Appeals. We served an initial report on BBL, and received a response from BBL, portions of which response are quoted herein.

DISCUSSION

General Issues

3. The Order Appointing Fee Auditor and Establishing Related Procedures Concerning the Allowance and Payment of Compensation and Reimbursement of Expenses of Professionals and Members of Official Committees and Consideration of Fee Applications, dated April 8, 2002, provides in Paragraph 6 that “[a]pplicants shall not be compensated for fees incurred in preparing a Fee Application in an amount in excess of 5% of the fees subject to such Fee Application, in the absence of a sufficient showing of cause for any such fees.” As the compensation for preparing a particular fee application is generally sought in the following fee application (we have heard this referred to as a “trailing expense”), it is very difficult to determine which fee application costs are attributable to which particular application, and it does not appear to us that such attribution is required by Paragraph 6 of the Fee Auditor Order. Thus, we interpret Paragraph 6 to require that an applicant’s cumulative fee application costs be applied to the applicant’s cumulative fees.

4. We note that BBL spent a total of 26.10 hours and \$11,065.00 in fees on matters pertaining to its fee applications during the Application Period. BBL’s cumulative fees for fee application preparation through April 30, 2005 are \$158,618.50. BBL’s cumulative fees overall are

\$3,317,260.50, of which 5% is \$165,863.02. Thus, BBL's fees for matters pertaining to its fee applications are under the 5% cap, and we have no objection to these charges.

Specific Time and Expense Entries

5. In our initial report, we noted the following meal expense for which more information was needed:

01/24/05	328.55	David F. Heroy	Camden, NJ trip for hearing 1/24/05-1/25/05 (Meals)
----------	--------	----------------	--

Pursuant to our request, BBL provided the following information concerning this charge:

1/24/05 - 1/25/05 (\$328.55)

1/24/05	\$19.83 Lunch \$63.30 Dinner
1/25/05	\$24.80 Breakfast \$12.19 Lunch \$136.34 Dinner

All meals were for one person.

We note that the meals listed total only \$256.46, rather than \$328.55, and we, therefore, recommend a reduction of \$72.09 for the difference. In addition, it appears to us that one can ordinarily dine more than adequately for \$15.00 for breakfast, \$25.00 for lunch, and \$50.00 for dinner. Accordingly, we recommend that the \$63.30 dinner charge be reduced by \$13.30; the \$24.80 breakfast charge be reduced by \$9.80; and the \$136.34 dinner charge be reduced by \$86.34. Thus, for all items under this Paragraph, we recommend a reduction of \$181.53 in expenses.

6. In our initial report, we noted the following hotel charge for which more information was needed:

01/24/05	513.31	David F. Heroy	Camden, NJ trip for hearing
----------	--------	----------------	-----------------------------

1/24/05-1/25/05 (Hotel)

Pursuant to our request, BBL provided the following information concerning this charge:

1/24/05 Lodging (\$575.81)

This was for one night's stay in New York, including all applicable taxes.

It appears to us that one can ordinarily obtain more than satisfactory lodging in New York for \$350.00 per night, plus taxes. Thus, we recommend a reduction of \$163.31¹ in expenses.


CONCLUSION

In summary, we recommend approval of \$231,894.00 in fees and \$4,918.18 in expenses (\$5,263.02 minus \$344.84) for BBL's services from February 1, 2005 through April 30, 2005.

¹Or the difference between the room rate of \$513.31 and a \$350.00 room rate.

Respectfully submitted,

WARREN H. SMITH & ASSOCIATES, P.C.

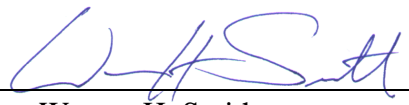
By: 
Warren H. Smith
Texas State Bar No. 18757050

325 North St. Paul Street
Suite 1275
Dallas, Texas 75201
214-698-3868
214-722-0081 (fax)
whsmith@whsmithlaw.com

FEE AUDITOR

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served by First Class United States mail to the attached service list on this 21st day of November, 2005.


Warren H. Smith

SERVICE LIST

Notice Parties

The Applicant

David F. Heroy
Michael F. Yetnikoff
Kevin Pak
BELL, BOYD & LLOYD, LLC
70 W. Madison St., Suite 3200
Chicago, IL 60602-4207

theroy@bellboyd.com
kpak@bellboyd.com

Debtors

Tim Trenary
Kristen Schweninger
Federal Mogul Corporation
26555 Northwestern Highway
Southfield, MI 48034

Co-Counsel for Debtors

James F. Conlan
Larry J. Nyhan
Kenneth P. Kansa
Sidley Austin Brown & Wood
Bank One Plaza
10 South Dearborn Street
Chicago, IL 60603

Co-Counsel for Debtors

James E. O'Neill
Laura Davis Jones
Pachulski Stang Ziehl Young & Jones, P.C.
919 North Market Street, 16th Floor
P.O. Box 8705
Wilmington, DE 19899-8705

**Counsel to the Official Committee of
Asbestos Personal Injury Claimants**

Elihu Inselbuch
Caplin & Drysdale, Chartered
399 Park Avenue
New York, NY 10022-4614

Peter Van N. Lockwood
Caplin & Drysdale, Chartered
One Thomas Circle, N.W.
Washington, D.C. 20005-5802

Aileen F. Maguire
Campbell & Levine, LLC
Suite 300
800 N. King Street
Wilmington, DE 19801

Co-Counsel to Creditors' Committee

Charlene D. Davis
The Bayard Firm
222 Delaware Avenue, Ste 900
Wilmington, DE 19801

Co-Counsel to Creditors' Committee

Peter D. Wolfson
Art Ruegger
Carole Neville
Sonnenschein, Nath, & Rosenthal
1221 Ave. of the Americas, 24th Floor
New York, NY 10020

Co-Counsel to Creditors' Committee

Thomas A. Labuda, Jr.
Sonnenschein, Nath, & Rosenthal
8000 Sears Tower
Chicago, IL 60606

Counsel To The DIP Lenders

Julie E. Anderson
Davis Polk & Wardwell
450 Lexington Avenue
New York, NY 10017

Philip Abelson
Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, NY 10153

Counsel for Lenders

Steven M. Fuhrman
Simpson Thacher & Bartlett
425 Lexington Avenue
New York, NY 10017-3954

Copy Service

Parcels, Inc.
Vito I. DiMaio
4 East Seventh Street
Wilmington, DE 19801

Counsel to Lenders

Mark D. Collins
Richards Layton & Finger
One Rodney Square
P.O. Box 551
Wilmington, DE 19801

Office of the United States Trustee

Richard L. Shepacarter
Office of the United States Trustee
844 King Street, Lock Box 35, Room 2207
Wilmington, DE 19801

**Counsel to the Legal Representative for
Future Claimants**

James L. Patton, Jr.
Edwin J. Herron
Young Conaway Stargatt & Taylor
The Brandywine Building, 17th Floor
1000 West Street
Wilmington, DE 19801

**Counsel to the Official Committee
of Asbestos Property Damage Claimants**

Theodore J. Tacconelli
Ferry, Joseph & Pearce, P.A.
824 Market Street, Suite 904
Wilmington, DE 19801